

## § 232.9

after the extension of credit in an account established in connection with the consumer credit transaction.

(6) The creditor requires as a condition for the extension of consumer credit that the covered borrower establish an allotment to repay the obligation.

(7) The covered borrower is prohibited from prepaying the consumer credit or is charged a penalty fee for prepaying all or part of the consumer credit.

(b) For purposes of this section, an assignee may not engage in any transaction or take any action that would be prohibited for the creditor.

## § 232.9 Penalties and remedies.

(a) *Misdemeanor.* A creditor or assignee who knowingly violates 10 U.S.C. 987 as implemented by this part shall be fined as provided in title 18, United States Code, or imprisoned for not more than one year, or both.

(b) *Preservation of other remedies.* The remedies and rights provided under 10 U.S.C. 987 as implemented by this part are in addition to and do not preclude any remedy otherwise available under State or Federal law or regulation to the person claiming relief under the statute, including any award for consequential damages and punitive damages.

(c) *Contract void.* Any credit agreement, promissory note, or other contract with a covered borrower that fails to comply with 10 U.S.C. 987 as implemented by this regulation or which contains one or more provisions prohibited under 10 U.S.C. 987 as implemented by this regulation is void from the inception of the contract.

(d) *Arbitration.* Notwithstanding 9 U.S.C. 2, or any other Federal or State law, rule, or regulation, no agreement to arbitrate any dispute involving the extension of consumer credit to a covered borrower pursuant to this part shall be enforceable against any covered borrower, or any person who was a covered borrower when the agreement was made.

## § 232.10 Servicemembers Civil Relief Act protections unaffected.

Nothing in this part may be construed to limit or otherwise affect the

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applicability of Section 207 and any other provisions of the Servicemembers Civil Relief Act (50 U.S.C. App. 527).

## § 232.11 Effective date and transition.

Applicable consumer credit—This part shall only apply to consumer credit that is extended to a covered borrower and consummated on or after October 1, 2007.

## PART 233—FEDERAL VOTING ASSISTANCE PROGRAM (FVAP)

### Sec.

- 233.1 Purpose
- 233.2 Applicability
- 233.3 Definitions
- 233.4 Policy
- 233.5 Responsibilities
- 233.6 Procedures

AUTHORITY: EO 12642; 10 U.S.C. 1566a; 42 U.S.C 1973gg–5; 42 U.S.C. 1973ff–1973ff–6

SOURCE: 77 FR 57487, Sept. 18, 2012, unless otherwise noted.

## § 233.1 Purpose.

This part:

(a) Establishes policy and assigns responsibilities for the FVAP in accordance with Executive Order 12642 and the Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA), 42 U.S.C. 1973ff–1973ff–6.

(b) Establishes policy and assigns responsibilities for the development and implementation of installation voter assistance (IVA) offices in accordance with 10 U.S.C. 1566a.

(c) Establishes policy and assigns responsibilities for the development and implementation, jointly with each State, of procedures for persons to apply to register to vote at recruitment offices of the Military Services in accordance with 42 U.S.C. 1973gg–5.

## § 233.2 Applicability.

This part applies to:

(a) The Office of the Secretary of Defense, the Military Departments (including the Coast Guard at all times, including when it is a Service in the Department of Homeland Security by agreement with that Department), the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of